



ARIZONA HOUSE OF REPRESENTATIVES

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SB1466: medical marijuana; adult-use marijuana

Sponsor: Senator Shope, LD 16

Committee on Health & Human Services

Overview

Expands and conforms recreational and medical marijuana laws related to the sale, packaging, labeling, testing, tracking and advertising of marijuana and marijuana products. Adds post-traumatic stress disorder and autism spectrum disorder to the list of medical conditions qualifying a patient for a medical marijuana registry identification card and contains a Proposition 105 clause.

History

Arizona Medical Marijuana Act

The Arizona voters approved the Arizona Medical Marijuana Act (AMMA) in 2010 which designated the Arizona Department of Health Services (DHS) as the licensing and issuing authority for the Arizona Medical Marijuana Program. The AMMA allows for qualifying patients to apply for registry identification cards to obtain an allowable amount of marijuana for certain debilitating medical conditions. Qualifying patients may also choose to designate a caregiver to assist them with the use of medical marijuana with a medical marijuana registry identification card. Debilitating medical conditions include: 1) cancer, glaucoma, HIV, AIDS, hepatitis C, amyotrophic lateral sclerosis, Chron's disease or Alzheimer's disease; 2) specific chronic or debilitating diseases or medical conditions; and 3) any other medical conditions or treatments added by DHS. DHS must adopt rules and regulations relating to medical marijuana and requires monies collected from fees, civil penalties and private donations to be deposited into the Medical Marijuana Fund before being distributed to certain entities ([A.R.S Title 36, Chapter 28.1](#)).

Smart and Safe Arizona Act

Arizona voters approved the Smart and Safe Arizona Act (SSAA) in 2020 which legalized the sale and use of recreational marijuana to consumers who are at least 21 years old. DHS is responsible for adopting rules to implement and enforce the SSAA and regulate the sale, packaging, labeling, tracking and advertising of recreational marijuana and marijuana products. This includes licensing marijuana establishments and testing facilities and conducting investigations and background checks on those entities. Monies from licensing and renewal fees, application fees, civil penalties, excise taxes and penalties related to the selling and testing of marijuana must be deposited into the Smart and Safe Arizona Fund. After paying costs to implement, administer and enforce the SSAA, remaining monies would be allocated to certain entities ([A.R.S. § Title 36, Chapter 28.2](#)).

Transaction Privilege Tax

Current law grants a transaction privilege tax (TPT) exemption for sales of propagative materials to individuals who use those items to commercially produce agricultural, horticultural, viticultural or floricultural crops in Arizona. *Propagative materials* include seeds, seedlings, roots, bulbs, liners, transplants, cuttings, soil and plant additives, agricultural minerals, auxiliary soil and plant substances, micronutrients, fertilizers, insecticides, herbicides, fungicides, soil fumigants, desiccants, rodenticides, adjuvants, plant nutrients and plant growth regulators. Except for use in

commercially producing industrial hemp, sales of propagative materials do not include materials used in producing any part, including seeds, of any plant of the genus cannabis ([A.R.S. § 42-5061](#)).

Provisions

All Marijuana

1. Broadens and aligns medicinal marijuana testing requirements with recreational marijuana testing requirements, including the requirement that, by December 31, 2023, any marijuana or marijuana product packaging labeled for sale include a consumer scannable tetrahydrocannabinol (THC) quick response code or similar technology linking to a webpage displaying:
 - a) the date of harvest;
 - b) the THC strain of the marijuana or marijuana product;
 - c) the method used to extract THC from the marijuana product;
 - d) testing results;
 - e) the manufacture date of the marijuana product;
 - f) required warnings, as determined by DHS; and
 - g) a warning that states: "Keep all marijuana products safe and away from children. If ingested, call poison control: (800) 222-1222." (Sec. 3,12)
2. Requires DHS to determine and adopt rules regarding required information for the marijuana or marijuana product label and the webpage linked to the quick response code included on the label. (Sec. 3, 12)
3. Requires information on the linked DHS webpage to satisfy all marijuana product labeling requirements. (Sec. 3, 12)
4. Directs DHS to develop a standard form and requires independent third-party marijuana laboratories to submit the form as:
 - a) a cover page for all test results that includes, at a minimum, a pass or fail designation of mandatory testing requirements; and
 - b) the final certificate of analysis of test results, including all mandatory testing requirements. (Sec. 3)
5. Directs DHS to require certified independent third-party laboratories and licensed marijuana testing facilities to conduct commercially available proficiency testing by contracting with a nationally or internationally accredited proficiency testing provider. (Sec. 3)
6. Requires nonprofit medical marijuana dispensaries and marijuana establishment tracking systems to be capable of tracking any other information that DHS determines is reasonably necessary to ensure accuracy, provide for chain of custody of the information and foreclose data tampering, human error or intentional misreporting. (Sec. 3, 11)
7. Removes certain information that THC quick response codes must include for recreational marijuana products. (Sec. 12)
8. Permits monies from the Medical Marijuana Fund and the Smart and Safe Arizona Fund to be used interchangeably to implement and enforce statutory requirements relating to medical or recreation marijuana. (Sec. 8, 13)

Medical Marijuana

9. Instructs nonprofit medical marijuana dispensaries, by December 31, 2023, to procure, develop, acquire and maintain a system to track marijuana and marijuana products at all points of cultivation, manufacture and sale, which must also ensure:

- a) accurate accounting and reporting of the production, processing and sale of marijuana and marijuana products; and
 - b) compliance with DHS rules. (Sec. 3)
10. Directs nonprofit medical marijuana tracking systems to be capable of tracking, at a minimum, the:
- a) propagation of immature marijuana plants and the production of marijuana by a nonprofit medical marijuana dispensary;
 - b) processing of marijuana and marijuana products by a nonprofit medical marijuana dispensary;
 - c) sale and purchase of marijuana and marijuana products;
 - d) transfer of marijuana and marijuana products between premises for which a certificate or a license has been issued;
 - e) disposal of marijuana waste;
 - f) identity of the person making the entry, as well as the time, date and location of each entry into the system, including any corrections or changes to that information; and
 - g) ability to accomplish the duties, functions and powers of DHS. (Sec. 3)
11. Directs nonprofit medical marijuana dispensaries to track, test, label and package marijuana and marijuana products and enforce requirements that these products be:
- a) sold to qualifying patients in clearly and conspicuously labeled containers that contain accurate warnings regarding the use of marijuana or marijuana products; and
 - b) placed in child-resistant packaging on exit from the dispensary. (Sec. 3)
12. Forbids nonprofit medical marijuana dispensaries from:
- a) packaging or labeling marijuana or marijuana products in a false or misleading manner;
 - b) manufacturing or selling marijuana products that resemble the form of a human, animal, insect, fruit, toy or cartoon;
 - c) selling or advertising marijuana or marijuana products with names that resemble or imitate food or drink brands marketed to children; and
 - d) advertising marijuana products to children. (Sec. 4)
13. Subjects nonprofit medical marijuana dispensaries that violate any of the prescribed prohibited purposes to disciplinary action by DHS. (Sec. 4)
14. Forbids DHS from charging more than \$50 for a medical marijuana registry identification card. (Sec. 5)
15. Excludes honorably discharged veterans of the U.S. Armed Forces from the medical marijuana registry identification card application fee. (Sec. 5)
16. Permits nonprofit medical marijuana dispensaries to engage in advertising practices prescribed for recreational dispensaries. (Sec. 7)
17. Instructs any nonprofit medical marijuana dispensary advertising involving direct, individualized communication or dialogue to use a method of age affirmation to verify that the recipient is at least 21 years old, including user confirmation, birth date disclosure or another similar registration method. (Sec. 7)
18. Repeals the Medical Marijuana Testing Advisory Council. (Sec. 9)
19. Permits the Arizona Biomedical Research Centre, within DHS, to provide \$10 million, rather than \$5 million, annually for five years in competitive grants for marijuana clinical trials, using a combination of monies from the Medical Marijuana Fund and Smart and Safe Arizona Fund. (Sec. 10)

Miscellaneous

20. Defines and modifies terms. (Sec. 1)
21. Makes the definition of *marijuana* for medical use the same as the *marijuana* definition for adult use. (Sec. 1)
22. Permits physician assessments for qualified medical marijuana patients to be conducted in person or via telehealth. (Sec. 1)
23. Broadens the definition *debilitating medical condition*, for purposes of granting eligibility for a medical marijuana registry identification card, to include:
 - a) post-traumatic stress disorder; and
 - b) autism spectrum disorder that is diagnosed by a licensed physician or psychologist acting within their scope of practice. (Sec. 1)
24. Removes the exclusion of propagative materials used in producing cannabis from the TPT exemption for propagative materials used to commercially produce agricultural, horticultural, viticultural or floricultural crops. (Sec. 14)
25. Exempts DHS from statutory rulemaking requirements for 36 months for purposes of regulating medical and recreational marijuana. (Sec. 15)
26. Contains a legislative intent clause. (Sec. 16)
27. Contains a Proposition 105 clause. (Sec. 17)
28. Makes technical and conforming changes. (Sec. 1-3, 5, 6, 11, 13 and 14)

<input checked="" type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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